

NOTICE OF CHANGE TO THE ITALY COUPONS PURCHASE PROGRAM

The Defense Energy Support Center (DESC) has developed this Notice of Change for the Italy Coupons Purchase Program 1.8c and is placing this letter on the Web for comments from both industry and U.S. military commands.

The Italy Coupons program permits U. S. and NATO forces to use coupons for purchase of tax-free fuel at service stations in continental Italy, Sardegna, Sicilia and other islands. The coupons are printed at the expense of the U.S. Government. They are shown in both Italian and English to indicate the quantity value of the coupon, validity date, and the product for which the coupon is intended. Any company that is awarded a contract is responsible for indoctrinating their outlets as to use, acceptance and processing, proper cancellation of used coupons, and other related matters. Payments are made twice a month to the Contractor by the Naval Support Activity (NSA) in Naples. Payments for all invoices are made in Italian lire. All relevant tax issues under this program are administered by NSA Naples (See **Tax Exemption Procedures** on the Italy Coupons homepage).

The Italian Ministry of Finance has granted the U. S. Government authorization to award more than one contract under the Coupons program. In following, DESC is attempting to maximize coupon contract coverage by awarding contracts to at least two (2) separate companies licensed by the Italian government to conduct business in Italy. This notice outlines basic changes that DESC proposes to include in an upcoming solicitation. Some key changes in the Italy Coupons program include:

- Awards will be made under indefinite quantity contracts versus requirements type contracts. Each contract will have a minimum annual guarantee lift quantity of one percent (1%) of the entire total estimated contract volume stated in the future solicitation.
- If several competitive offers are submitted, awards will be made to a minimum of two (2) contractors.
- All contract prices for gasoline and auto diesel fuel will be based on the tax-free posted prices published in the "Prezzi Italia". For the various lube oils required, contract prices will be based on each company's individual tax-free posting for a specific brand name product. Contractors will be encouraged to offer incremental discounts to the "Prezzi Italia" postings and their company lube price list.
- Service station coverage will not be evaluated by a minimum coverage requirement of one service station within a 10-mile radius of the major commands in Italy. Instead, offers will be evaluated on several factors concerning their technical capability and the price offered to the U.S. Government which represents the best overall value. In the evaluation of offers, technical capability (number, placement, and service capacity of the stations) will be ranked higher than offered price.

Each interested company and all U.S. and NATO bases/installations are requested to provide DESC with comments to the proposed changes by 5:00 p.m., local time at DESC (Fort Belvoir, VA), 22 June 1999. Please call Mr. Mark Jones (703) 767-9505 or Mr. Stephen Tidler (703) 767-9516 to discuss any matter or question related to the above. Mr. Jones and Mr. Tidler may also be contacted via e-mail at these addresses: majones@desc.dla.mil and stidler@desc.dla.mil.